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CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

OAK HITS M/A-COM WITH PATENT VIOLATION SUIT

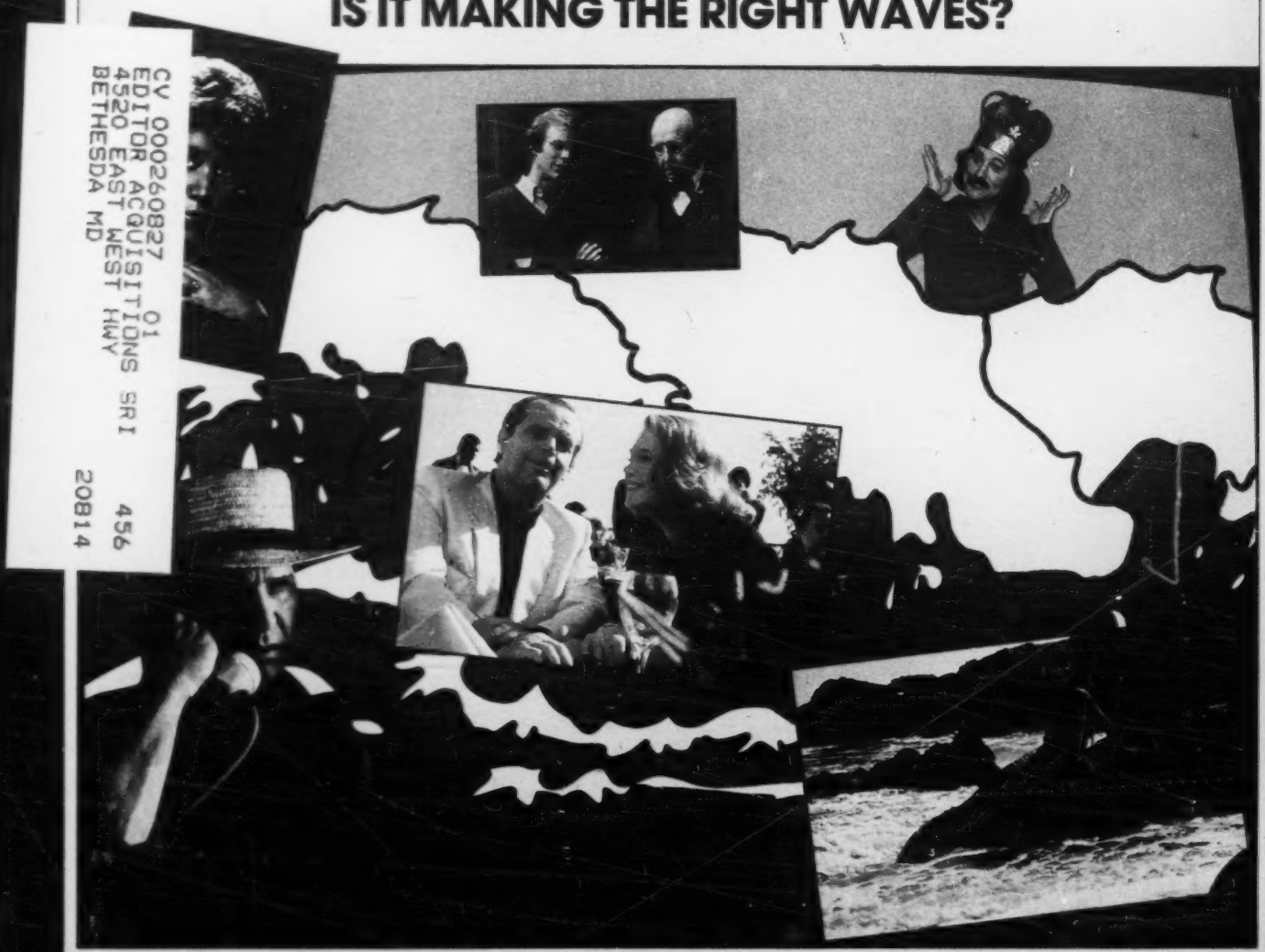
CTAM CONVENTION JOINS DEBATES ON PRICING, PPV

PURVEYORS FLOCKING TO EXPLOIT HOME SHOPPING BONANZA

SMALL OPERATORS HANGING TOUGH IN A SELLERS' MARKET

OFF-PREMISE GEAR MAKERS SEE NICHES, DESPITE RESISTANCE

SHOWTIME AT YEAR TEN: IS IT MAKING THE RIGHT WAVES?



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FRONTLINE

Oak sues M/A-COM 12
Oak Industries, in a move that could affect the already snarled scrambling debate on Capitol Hill, has filed suit alleging M/A-COM violated Oak's patents for encryption technology.

Video merchandising networks 12
More and more players are jumping on the video merchandising bandwagon; the question is, can they all make a go of it.

CTAM convention 14
An activist mood governed the doings at the Cable Television and Marketing Society convention in Boston, with warnings of over reaching with higher prices dominating much of the discussion.

PPV's future 16
Although few agree on how to best market PPV, leaders at the CTAM show concurred that it will play a key role in cable's future.

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Tele-Communications Inc.'s investment in Cencom Cable may facilitate local origination and advertising in the St. Louis area.

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Comcast Cablevision's ad revenues are setting records as the MSO moves ahead of first half 1985 results by 50 percent.

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BUSINESS

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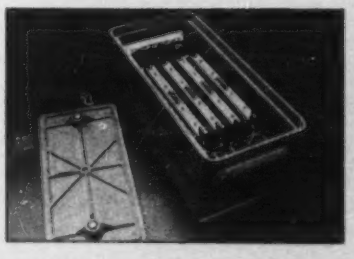
In a sellers' market, many small operators are finding it hard not to take the buyers' money, but some are acting to ensure they stay in control of thriving, growing concerns.

PRODUCTS AND TECHNOLOGY

Off-premise technology 58
Off-premise addressable systems show enough potential to keep the technology alive, but many engineers remain unconvinced of its reliability.



FROM WASHINGTON

Third-party packagers 72
The latest congressional effort to legislate a third-party packaging business isn't surprising, but it's hard to see serious problems in need of redress at this stage of satellite-direct development.

COVER STORY

Showtime marks tenth 22
Amid celebrating its 10th anniversary, Showtime is planning major strategy changes for the future.

Pay Per View Supply Chart

A listing of movies and events entering PPV distribution over the next two months.

August

The Adventures of Mark Twain (8/14) — Source: Paramount
MPAA Rating: G — Running Time: 89 mins.
Cast: Claymation

Best of Times (8/15) — Source: Universal
MPAA Rating: R — Running Time: 105 mins.
Cast: Robin Williams, Kurt Russell

Clue (8/13) — Source: Paramount
MPAA Rating: PG — Running Time: 87 mins.
Cast: Eileen Brennan, Tim Curry, Madeleine Kahn, Christopher Lloyd, Michael McKean, Martin Mull, Lesley Anne Warren

Bliss (8/19) — Source: New World
MPAA Rating: R — Running Time: 112 mins.
Cast: Barry Otto, Lynette Curran, Helen Jones

Hannah and Her Sisters (8/7) — Source: HBO Enterprises
MPAA Rating: PG-13 — Running Time: 105 mins.
Cast: Woody Allen, Mia Farrow, Michael Caine

La Cage Aux Folles III (8/14) — Source: Tri-Star
MPAA Rating: PG-13 — Running Time: 88 mins.
Cast: Michel Serrault, Ugo Tognazzi

Lady Jane (8/14) — Source: Paramount
MPAA Rating: PG-13 — Running Time: 142 mins.
Cast: Helena Bonham Carter, Cary Elwes

Malibu Express (8/28) — Source: Universal
MPAA Rating: R — Running Time: 101 mins.
Cast: Darby Henton, Sybil Danning, Art Metrano, Niki Dantine

Offbeat (8/21) — Source: Disney
MPAA Rating: PG — Running Time: 92 mins.
Cast: Judge Reinhold, Meg Tilley

Revolution (8/13) — Source: Warner Bros.
MPAA Rating: PG — Running Time: 102 mins.
Cast: Al Pacino, Donald Sutherland, Nastassja Kinski, Annie Lennox, Joan Plowright

Spies Like Us (8/21) — Source: Warner Bros.
MPAA Rating: PG — Running Time: 102 mins.
Cast: Dan Akroyd, Chevy Chase, Steve Forest, Bernie Casey

Star Crystal (8/19) — Source: New World
MPAA Rating: R — Running Time: 93 mins.
Cast: C. Jutson Campbell, Faye Bolt, John W. Smith

September

Care Bears II: New Generation (9/1) — Source: Columbia
MPAA Rating: G — Running Time: 77 mins.
Cast: Animated

French Lesson (9/1) — Source: Warner Bros.
MPAA Rating: PG — Running Time: 90 mins.
Cast: Jane Snowden, Alexandre Sterling, Diana Blackburn, Oystein Wiik

Gung Ho — Source: Paramount
MPAA Rating: PG-13 — Running Time: 111 mins.
Cast: Michael Keaton, Cedde Watanabe, George Wendt

Highlander (9/4) — Source: 20th Century-Fox
MPAA Rating: R — Running Time: 106 mins.
Cast: Sean Connery, Christopher Lambert, Clancy Brown, Roxanne Hart

Jake Speed (9/23) — Source: New World
MPAA Rating: PG — Running Time: 104 mins.
Cast: Wayne Crawford, Dennis Christopher, Karen Kopins, John Hurt

Lucas (9/4) — Source: 20th Century-Fox
MPAA Rating: PG-13 — Running Time: 100 mins.
Cast: Corey Haim, Kerri Green, Charlie Sheen, Courtney Thorne-Smith

Mountaintop Motel (9/23) — Source: New World
MPAA Rating: R — Running Time: 96 mins.
Cast: Bill Thurman, Anna Chappell, Will Mitchell

Out of Africa (9/18) — Source: Universal
MPAA Rating: PG-13 — Running Time: 161 mins.
Cast: Robert Redford, Meryl Streep, Klaus Maria Brandauer

Violets Are Blue (9/1) — Source: Columbia
MPAA Rating: PG-13 — Running Time: 115 mins.
Cast: Kevin Kline, Cissy Spacek

Young Blood (9/11) — Source: United Artist
MPAA Rating: R — Running Time: 110 mins.
Cast: Rob Lowe, Cynthia Gibb, Patrick Swayze

Young Sherlock Holmes — Source: Paramount
MPAA Rating: PG-13 — Running Time: 109 mins.
Cast: Nicholas Rowe, Alan Cox, Sophie Ward

Note: Running times are approximate.

Film information provided to International Thomson Communications Inc. by studios.

NR indicates film not rated by MPAA.

Pay Per View Services Profile

Service:	Request Television	Viewer's Choice	Telstar Channels
Launch:	November 11, 1985	November 26, 1985	June 5, 1986
Delivery:	Galaxy 1, transponder 12	VC-1 Satcom 3R, transponder 5 VC-2 Galaxy 1, transponder 16	Interrum standalone, presently testing on Telstar 303
Encryption:	M/A-COM VideoCipher II	M/A-COM VideoCipher II	Presently testing General Instrument Starline IV
Programming:	Two to four major motion pictures per week, special events	One major motion picture per week, special events	Channels 1&2: two major motion pictures on biweekly rotation. Channel 3: two major motion pictures per week, special events
Subscribers:	Available in systems serving 1.6 million subs (1.1 million addressable)	1.2 million addressable subs.	Available in systems serving 34,000 subs (7,500 addressable)

Cable services subscriber count

Satellite-fed national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	225	4,000,000
Alternate View Network	63	1,221,164
Arts & Entertainment (A&E)	2,200	18,000,000
Black Entertainment Television (BET)	590	13,015,183
Cable News Network (CNN)	9,396	33,100,000
Cable Value Network	20	200,000
C-SPAN	2,300	25,000,000
C-SPAN II	300	7,800,000
CBN Cable Network	6,714	30,065,000
Country Music Television	425	6,200,000
The Discovery Channel	673	7,466,618
ESPN	12,113	36,900,000
Eternal Word Television Network (EWTN)	276	4,500,000
Financial News Network (FNN)	1,260	21,400,000
Headline News	3,157	18,039,000
Hit Video USA	41	1,700,000
Home Shopping Network	324	8,000,000
Innovations In Living (HSN2)	15	2,000,000
The Learning Channel	760	6,600,000
Liberty Broadcasting Network	90	1,292,000
Lifetime	2,894	25,100,000
Music Television (MTV)	3,400	28,200,000
The Nashville Network	3,770	24,900,000
National Jewish Television (NJTV)	247	5,569,000
Nickelodeon	4,270	26,300,000
PTL The Inspirational Network	1,300	13,000,000
Pratco	NA	NA
Rock Christian Network	NA	NA
Silent Network	200	6,500,000
SIN Television Network	383	33,673,300
Tempo Television	608	12,100,000
Trinity Broadcasting Network	423	6,171,000
USA Network	6,500	31,000,000
Video Hits One	750	11,900,000
The Weather Channel	2,019	20,200,000
WGN-TV	7,666	19,723,000
WOR-TV	1,877	8,430,680
WPIX-TV	160	2,500,000
WTBS-TV	10,436	36,078,000

Pay services		
American Extasy	6	60,000
American Movie Classics	200	420,000
Bravo	240	360,000
Cinemax	3,300	3,700,000
The Disney Channel	2,956	2,550,000
GalaVision	234	183,000
Home Box Office (HBO)	6,900	14,600,000
Home Theater Network (HTN)	350	300,000
Showtime	3,200	5,400,000
The Movie Channel	3,250	3,250,000
The Nostalgia Channel	125	350,000
The Playboy Channel	580	732,000
Private Ticket	4	NA

Audio services		
Cable Radio Network	15	1,100,000
KKGO Super Jazz	14	828,000
Lifestyle	132	1,943,776
Lifestyle AC	15	679,936
Moody Bible Institute	62	748,782
Satellite Radio Network	50	493,000
Studioline	NA	NA
Tempo Sound	89	1,262,393
WFMT Chicago	154	1,149,000

Text services		
AP News Cable	225	4,200,000
AP News Plus	30	700,000
Cable Sportstracker	14	547,000
DBC/MarketWatch	NA	NA
Electronic Program Guide (EPG)	267	5,500,000
EPG Jr.	41	40,433
Genesis Cable Storytime	25	975,000
Reuters News View	225	3,250,000
TV Decisions	120	3,430,000
UPI Data Cable	450	4,650,000
X*Press	16	500,000

Non-satellite-fed national services

Bicycled services	Affiliates	Subscribers
Cable Auto Showcase	5	400,000
Fuji Network	5	11,044
Nippon Golden Network	5	11,044
Vector Consumer News	12	325,000
Vector Consumer Shopping Guide	15	407,000

Regional entertainment services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	150,000
Bay Area Religious Channel (BARC)	4	93,000
Buffalo Sabres Hockey	9	400,000
Cable TV Network of New Jersey	36	1,045,000
The Ecumenical Channel	7	148,000
KTVT	88	2,022,000
Life Newsvision	24	36,000
Madison Square Garden	67	1,900,000
Meadows Racing Network	14	446,000
MetroChannel	1	118,000
Prime Ticket	36	1,300,000
SportsVision (Chicago)	28	300,000
Texas Cable Network	13	646,000

Pay services		
Dodgervision	44	935,000
Home Sports Entertainment—Houston/Dallas	66	135,300
Home Team Sports	66	300,000
New England Sports Network	120	110,030
PRISM-Philadelphia	91	365,000
Pro-Am Sports	104	99,318
SportsChannel (New England)	96	222,062
SportsChannel (New York)	53	433,000
Z Channel	21	95,000

Announced services

Satellite-fed services	Expected Launch
ABC Pay-Per-View service	4th Quarter 1986
Apollo Entertainment Television	TBA
The Book Channel	TBA
The BusinessVision Channel	TBA
Cablotix	4th Quarter 1986
Comedy Television	9/86
Discovery Computer Network	1987
Discovery Financial Network	4th Quarter 1986
Discovery Music Network	TBA
El Canal Musical	4th Quarter 1986
Ethnic Radio Networks	TBA
EventTelevision	9/86
International Business Network	4th Quarter 1986
Magicable	TBA
Movie Time	1st Quarter 1987
QVC Network	4th Quarter 1986
Sofcast/National Digital Network	2nd Quarter 1986
The Success Network	1/87
Telstar Channels	6/86
The Travel Network	4th Quarter 1986
Tunnelvision	4/87

Notes: Figures for affiliate and subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Attention Cable Stats, P.O. Box 5208-T.A., Denver, CO 80217.
NA denotes not available.
TBA denotes to be announced.

National cable advertising

This chart lists national advertisers on the basic cable networks. Some listings are partial.

Arts & Entertainment
American Express (R)
Architectural Digest
Armour-Dial (R)
AT&T (various divisions) (R)
Canon (N)
Chevron (N)
Diner's Club (R)
Dole Sorbet (N)
Ford Motor Co. (R)
Fortune Magazine (R)
General Motors (R)
Gillette (N)
Grey Poupon (N)
MasterCard (N)
Metropolitan Life (N)
Mrs. Dash Seasonings (N)
New Yorker Magazine (R)
Natural History Magazine (R)
Pommery Wines (N)
Ralston-Purina (R)
Time Magazine (R)
Visa (R)
Wells Fargo (R)
Zales (N)

BET
American Beauty Products (R)
Anheuser-Busch (R)
C.B. Fleet Co. (N)
Carson Products (R)
Coca-Cola (R)
Dressner Communications (N)
Eastman Kodak (R)
Ford Motor Co. (R)
General Mills (N)
Hershey (R)
J.C. Penney (R)
Johnson & Johnson (R)
KFC Corp. (R)
M&M Products Co. (R)
MGM Entertainment (R)
McDonald's (R)
Mobil Oil (R)
NAACP (N)
Onyx Communications (N)
Pepsi Cola (R)
Pro-line (R)
Procter & Gamble (R)
Quaker Oats (R)
Seagram Wine Co. (N)
Sears Roebuck & Co. (R)
Thompson Medical(R)
Warner Bros. Records (N)
Warner Lambert (R)
Wendy's International Inc. (R)

C-SPAN*
AFSCME
Centel
DuPont
Gannett Foundation
General Instrument
John D. & Catherine MacArthur Foundation
McKesson Corp.
National Education Assoc.
Northern Telecomm.
NuMedia Corp.
Times Fiber
Time Inc.
TLL Temple Foundation

The Discovery Channel †
American Heritage
Architectural Digest
Barron's Weekly
Bird Talk
Cat Fancy
Changing Times Magazine
Charles Schwab
Consumer Reports
CUNA Life Insurance
Dreyfus Fund
Field Publications
Forbes Magazine
Golf Digest
Guidepost Magazine
Home Magazine
Life Magazine
McCall's Magazine
National Business Employment Weekly
National Geographic World Magazine
Newsweek Magazine
Prudential Insurance
Psychology Today
Standard & Poors
The New Yorker Magazine
Time + Life Books
Transamerica Insurance
TV Guide
U.S. News & World Report
Wall Street Journal

FNN
All-American Sports (N)
American Cyanamid (N)
American Express Gold Card (N)
Anheuser-Busch (R)
Apache Trading (N)
AT&T (R)
Best Western (N)
Bureau of Business Practices (N)
Charles Schwab (R)
Chicago Board of Trade (N)
Chicago Mercantile Exchange (N)
Chrysler (R)
Clayton Brown (N)
Computer Sports (N)
CSX Corp. (N)
Diner's Club (N)
Dow Jones (R)
Dreyfus (N)
Emery Air Freight (N)
Forbes Magazine (N)
Ford Corp. (R)
GMAC (R)
Golden Nugget (N)
The Hartford Insurance (N)
Harris Corp. (N)
Hong Kong Tourist Bureau (R)
International Trading Group (N)
Intex (N)
ITT (R)
Kansas City Board of Trade (R)
Merrill Lynch (R)
Minolta (N)
Navistar (N)
Norelco (N)
Northwest Orient Airlines (N)
Nynex (R)
Paulson Investments (N)
Paramount Home Video (N)
Reichold Chemical (N)
Rockwell (N)
Rolex (N)
Stroh's Beer (N)
United Rare Coin (N)
USA Today (N)
U.S. Postal Service (N)
Wall Street Journal (R)
Western Futures (N)
Xerox (R)
Zweig Forecast (R)

The Learning Channel
California Beef Council (R)
Charles Schwab (R)
Esquire Magazine (N)
Forbes Magazine (N)
Home Magazine (N)
Time + Life Books (R)
Wall Street Journal (R)

The Silent Network
Campbell's Soups
Hallmark Cards
Kal Kan
Mattel Toys
Ultratec TDD

Tempo Television †
AT&T
Bass Pro Shops
Bayer
Beechnut
Budweiser
Casio
Chum'n Rub
Continental Airlines
Evenflo
Fisher-Price
Gerber
Heinz
Hilton Hotels
Huggies
Ivory Snow
Johnson & Johnson
Johnson Reels
Johnson Silver Minnow
Kodak
Little Stinker Bate Co.
Maytag
National Rifle Assoc.
Norelco
Playboy Magazine
Playtex
Redman Chewing Tobacco
Rubbermaid
Sears
Time + Life Books
Tropicana
United Airlines
Valvoline
Vaseline
Windjammer
Yamaha

R denotes renewal client.
N denotes new client.
†New and renewal information not available.

*Listing is comprised of program underwriters.
Source: Advertising clients are provided by the programs services to International Thomson Communications Inc.